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E-File

December 22, 2025

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

Re: Interconnection and Tariffs for Large Load Customers
Docket No. M-2025-3054271

Dear Secretary Homsher:

Enclosed for filing please find the Comments of PPL Electric Utilities Corporation in the above-captioned proceeding. These Comments are being filed pursuant to the Tentative Order issued November 6, 2025 and published in the *Pennsylvania Bulletin* on November 22, 2025.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on December 22, 2025 which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions regarding these Reply Comments, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael J. Shafer", is written over a light blue horizontal line.

Michael J. Shafer

Enclosure

cc via email: Darryl Lawrence, Esquire
Allison Kaster, Esquire
NazAarah Sabree

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interconnection and Tariffs for Large Load	:	Docket No. M-2025-3054271
Customers	:	

**COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION
TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION'S TENTATIVE ORDER**

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Date: December 22, 2025

Counsel for PPL Electric Utilities Corporation

I. BACKGROUND

On April 24, 2025, the Pennsylvania Public Utility Commission (“Commission”) held an *en banc* hearing in the above-referenced docket to address, among other things, topics related to the interconnection of, and tariffs for, large load customers, including data centers in particular, in Pennsylvania (the “Hearing”). In advance of the Hearing, the Commission issued a Secretarial Letter that provided notice of the Hearing, indicated that the purpose was to educate and inform the Commission on the prudent design of a large load customer model tariff, and solicited testimony and comments on the 14 topics identified in March 27, 2025 Motion issued by Chairman Stephen M. DeFrank charging the Commission staff with organizing the Hearing.¹

Joseph B. Lookup, Vice President-Transmission & Distribution Planning and Asset Management, testified as a part of the EDC panel portion of the Hearing on behalf of PPL Electric Utilities Corporation (“PPL Electric” or the “Company”). In addition, Mr. Lookup’s written testimony was filed at the above-referenced docket. The Company also timely submitted Comments, on June 6, 2025 (“June 2025 Comments”), and Reply Comments, on June 23, 2025 (“June 2025 Reply Comments”).²

On November 6, 2025, the Commission issued its Tentative Order and attached Appendix in this proceeding (the “Tentative Order”), which was published in the *Pennsylvania Bulletin* on November 22, 2025,³ and invited Comments to be filed for consideration by the Commission before its issuance of a final order. The deadline for Comments is December 22, 2025.⁴ Reply Comments are not permitted.⁵

¹ Secretarial Letter, pp. 1-2 (written comments to be submitted during a 30-day comment period after the conclusion of the Hearing, and a 15-day reply comment period to follow the end of the comment period); *see also* Motion, p. 2.

² May 15, 2025 Secretarial Letter (extending deadlines for Comments and Reply Comments provide additional time for interested parties to address Vice Chair Kimberly Barrow’s May 1, 2025 Directed Questions).

³ 55 Pa.B. 8028.

⁴ Tentative Order, p. 45.

⁵ *Id.* at p. 46.

PPL Electric will not respond to each issue raised in the Tentative Order. Instead, PPL Electric will focus on those issues that are particularly important and relevant to the Company.

II. COMMENTS OF PPL ELECTRIC

As a preliminary matter, PPL Electric supports the Comments filed by the Energy Association of Pennsylvania (“EAP”) on behalf of its members, which include the Company. PPL Electric offers its own separate comments below to direct attention to matters that are particularly important to the Company. Specifically, PPL Electric’s Comments address the following topics:

- A. Appropriate Megawatt (“MW”) Size Designations for Large Load Tariffs;
- B. Appropriate Calculations of Contributions in Aid of Construction (“CIAC”);
- C. Minimum Contract Terms;
- D. Interconnection Studies and Interconnection Agreements;
- E. Minimum Demand Charges;
- F. Exit or Early Termination Fees;
- G. Interruptible Service and Standby Rates for Large Load Customers; and
- H. Infrastructure Upgrades by Large Load Customers.

Within these Comments, PPL Electric outlines its concerns that some of the Commission’s proposals, if adopted, are inconsistent with the Public Utility Code’s mandate that electric distribution companies (“EDCs”) provide non-discriminatory service, that such proposals and provisions in the proposed requirements for Large Load Customers (“Proposed Requirements”)⁶ go beyond the Commission’s jurisdiction and authority, and that adoption of a one-size-fits-all

⁶ These Proposed Requirements are reflected both in the Tentative Order and its Appendix, which sets forth numerous requirements in the form of model tariff provisions.

approach is too rigid and should be revised instead to allow a more flexible EDC/Large Load Customer-specific approach that would be better suited to address unique customer characteristics.

Large load customers have unique needs, and their interconnection requests can vary with respect to the needed upgrades and the amount of stranded asset risk the request creates. Likewise, EDCs have different approaches in interconnecting data centers due to the specific characteristics of their service territories and tariff structures. The Company appreciates Chairman DeFrank's statement at the November 6, 2025 Public Meeting that the proposed model tariff is not a mandate, and that flexible solutions can be developed. However, PPL Electric is already seeing pressure in its distribution base rate case to adopt the model tariff as written from stakeholders and is concerned that there will not be the level of flexibility referenced by the Chairman. Pennsylvania has become a leader in attracting new large load customers because it has been able to work with prospective customers in a quick and nimble fashion. PPL Electric encourages the Commission to design the model tariff in a way that does not eliminate this advantage that the Commonwealth has developed.

PPL Electric appreciates the opportunity to weigh in on these important issues.

A. APPROPRIATE MW SIZE DESIGNATIONS FOR LARGE LOAD TARIFFS

Despite acknowledging a “general agreement that large loads present unique characteristics and their treatment from a rates perspective should be based on those characteristics, rather than a static megawatt threshold,”⁷ the Commission nevertheless determined that “a Large Load Customer should be defined as 50 MW Individually or 100 MW in the aggregate.”⁸ It added that “behind the meter generation will not be considered as an offset to calculate total customer load.”⁹

⁷ Tentative Order, p. 4.

⁸ *Id.* at p. 5.

⁹ *Id.* at 8.

It based this finding on tariffs in Ohio, Indiana and West Virginia (all located in the PJM Interconnection LLC (“PJM”) territory)¹⁰ and invited commenters to address defining individual versus aggregate thresholds as well as the threshold amounts.¹¹

PPL Electric submits that the Commission should not adopt a brightline MW threshold for a large load tariff, or if the Commission keeps a MW threshold it should also provide exceptions for when certain large loads that meet the MW threshold are exempt. The Company supports a holistic review of the proposed (and unique) project and load size should be conducted to determine whether the large load interconnection requires system upgrades and, if so, whether those upgrades will be socialized to other customers.¹² The Commission should remain focused on addressing risks which are within the purview of EDCs, and not attempt to resolve potential impacts which are outside of the EDCs control such as generation and capacity market prices at PJM. Using example tariffs from vertically integrated states like Indiana and West Virginia can be informative. However, it should be recognized that the analysis of stranded asset risk is fundamentally different in jurisdictions where the utility is also responsible for building the generation for the new large load customers.

However, if the Commission does adopt a MW threshold, it should be much higher than 50 MW. In comments on the Advanced Notice of Proposed Rulemaking regarding the Interconnection of Large Loads to the Interstate Transmission System (“ANOPR”) submitted by the Honorable Chris Wright, Secretary of Energy, and published by the Federal Energy Regulatory

¹⁰ PPL Electric restates its concerns with reliance on tariffs issued in other states because the development of these issues is still unfolding and remains in the early stages. *Id.* at 25-26.

¹¹ *Id.* at 8.

¹² See e.g., PPL Electric Comments, p. 15 (June 6, 2025) (explaining that the following factors should be considered on a case-by-case basis to determine whether system upgrades are required for potential large load: (i) added system reliability, (ii) increased capacity/lower congestion, (iii) improved asset condition of existing facilities, (iv) service to multiple transmission customers and/or retail feeders, (v) increased resiliency and operational flexibility, and/or (vi) expanded capacity for new generation flow and interconnection).

Commission (“FERC”),¹³ PPL Electric and other PJM Transmission Owners recommended a definition of “large load customers” of 200 MW.¹⁴ Only a sufficiently large threshold would limit the application of the Proposed Requirements to data centers, as envisioned. A lower threshold would risk a chilling effect on economic development because it may capture customers who do not have socialized costs and set a security requirement that exceeds the amount of risk to the EDC’s other customers. Furthermore, a lower threshold such as the one currently proposed, is likely to also apply to other non-data center customers, which is not the intention of this proceeding.

B. APPROPRIATE CALCULATIONS OF CIAC

The Commission acknowledged a consensus that CIAC calculations should be based on the principles of cost causation. Specifically, commenters agree that CIAC amounts should be based on whether the new or upgraded facilities will serve only the new customer or will provide broader benefits to all customers.¹⁵ The Commission found that “EDCs should handle CIAC for Large Load Customers in the same manner that CIAC is implemented for all other EDC tariff customers.”¹⁶ It further found that because large loads “may receive most of the benefits from facilities that would have historically benefitted the system as a whole [. . .] the triggering customer should make a CIAC contribution to offset the cost of the line if they receive more than half the benefit of this line.”¹⁷ The Commission specifically invited comment on this finding, and in particular, the degree of contribution required and the test for whether contribution should be

¹³ *Interconnection of Large Loads to the Interstate Transmission System*, Notice Inviting Comments, FERC Docket No. RM26-4-000 (Oct. 27, 2025).

¹⁴ *Interconnection of Large Loads to the Interstate Transmission System*, Reply Comments of the Indicated PJM Transmission Owners, FERC Docket No. RM26-4-000 (Dec. 5, 2025).

¹⁵ See Tentative Order, p. 13.

¹⁶ *Id.* at pp. 15-16.

¹⁷ *Id.* at p. 16. The Commission also tentatively found that “CIAC and collateral requirements, if properly implemented, should protect ratepayers from uneconomic or stranded infrastructure investment as well as ensuring appropriate cost allocation.”¹⁷

required, *i.e.*, the fifty percent threshold.¹⁸ The Commission also sought additional comments concerning voluntary CIAC and a mechanism whereby such contributions support moving a project up in the construction queue or expediting interconnection times.¹⁹

As a starting point, network upgrades, by their very nature, benefit all customers. They add to system reliability, increase transmission capacity and lower congestion, increase resiliency and operational flexibility, and expand capacity for new generation flow and interconnection, among other things. In recognition of these system-wide benefits, FERC has also long-favored charging network customers for costs of network facilities without an individualized benefit calculation:

“[D]ue to the integrated nature of the transmission network, network facilities benefit all network users,” even if “the facilities were installed to meet a particular customer’s request for service. “[T]here is no need to identify further actual benefits in order to include the costs of network transmission facilities in transmission rates.”²⁰

PPL Electric believes its current practices for charging CIAC to Large Load Customers rightly balance the benefits provided to the incoming load with the benefits provided to network customers from transmission investment. PPL Electric “evaluates necessary system upgrades and segregates the costs into customer-specific costs which will be paid through [CIAC] and costs that will be socialized through rates.”²¹ This is done on a case-by-case basis with a focus on whether “the specific upgrade provides reliability benefits to the grid as a whole or if it only benefits the new customer.”²² By employing this careful analysis, PPL Electric ensures that CIAC charged to Large Load Customers (*i.e.*, costs for upgrades that do not result in broader reliability benefits) is

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *City of Anaheim, Cal.*, 113 FERC ¶ 61,091, at P 58 (2005), reh’g denied, 114 FERC ¶ 61,311 (2006).

²¹ Testimony of J. Lookup, p. 2 (Apr. 24, 2025).

²² *Id.*

sufficiently tied to that specific customer's costs rather than based on an arbitrary determination. If the Commission adopts a CIAC rule, it should reflect (or at least permit) PPL Electric's practice.

Other CIAC methods, like the Commission's proposed "more than half the benefit of this line" provision, lack the clarity and flexibility of PPL Electric's approach. It is unclear how EDCs are even to calculate and measure benefits of network upgrades to effectuate this provision. In transmission ratemaking, this is a highly contentious and litigated topic. Although complex tools have been developed to measure use of a transmission facility, they can only be implemented once the line is built and flows can be measured. Even then, they change in real time—to say nothing about changes over the decades of expected useful life of a transmission network facility. Finally, PPL Electric has serious concerns about the Commission's jurisdiction over this subject. Recovery of investment in transmission network upgrades is a ratemaking question. For transmission facilities, ratemaking is regulated by FERC (not the Commission).

Similarly, the Commission's comments on the construction queue appear to conflate the PJM-administered generation interconnection queue, which includes parallel, expedited queue processes with a non-existent load interconnection queue. There is no "first-come, first-served" load interconnection queue where customers can pay to jump to the front of the line. Rather, load interconnection requests are processed by utilities when received but are typically not dependent on other load interconnection requests. The real bottleneck issues that determine customer interconnection project timelines include site selection, permitting, and Right-of-Way acquisition, which are unique to each project and cannot be accelerated through additional monetary consideration. For these reasons, PPL Electric does not support the Commission's suggestion that specific projects can (or even should) be expedited if Large Load Customers pay voluntary CIAC fees. Lastly, PPL Electric is concerned that imposing stringent and burdensome additional

interconnection requirements on a particular subset of customers, such as Large Load Customers, could unnecessarily chill the substantial economic benefits projected from data center development in Pennsylvania. PPL Electric urges the Commission to adopt a fair and balanced approach to cost assignment that harmonizes its policy in the model tariff with the Public Utility Code²³ and the Competition Act.²⁴

C. MINIMUM CONTRACT TERMS

The Commission acknowledged receipt of wide-ranging comments concerning minimum contracts terms, and ultimately found a minimum contract length of five years to be appropriate, while declining to direct a maximum term, finding that “the determination of appropriate terms involves balancing cost protection for ratepayers with commercial viability, considering local conditions, and ensuring that investments do not result in stranded costs borne by other rate classes, which are unique variables for each EDC.”²⁵ The Commission also invited comments on its proposed contract terms related to Large Load Customer ramp schedules.²⁶

The Proposed Requirements suggest defining “Load Ramp Period” as the “later period of time from: (a) when electric service is available to the Large Load Customer; or (b) the Large Load Customer is scheduled to begin taking electric service, until the time the Large Load Customer’s maximum contract capacity is billed.”²⁷ The Proposed Requirements further state that the contracting parties must provide a minimum of three (3) years notice to cancel or modify the contract.²⁸ The Proposed Requirements also address monthly billing demands, and provide that:

The Monthly Billing Demands for Large Load Customers in kW for each plant will be taken each month as the single-highest 15-minute integrated peak in kW, as registered at such plant during the month

²³ 66 Pa. C.S.A. § 1304.

²⁴ See 66 Pa. C.S.A § 2801, *et seq.* (“Competition Act”).

²⁵ Tentative Order, p. 21.

²⁶ *Id.*

²⁷ *Id.* at Appendix unpaginated 3-4 [native PDF pg. 50-51].

²⁸ *Id.* at unpaginated 4 [native PDF page 51].

by demand meter or indicator but the monthly demand so established should in no event be less than the greater of:

(a) Eighty (80) percent of the Large Load Customer's contract capacity specified for the applicable time period of the Contract Term; or

(b) Eighty (80) percent of the Large Load Customer's highest previously established Monthly Billing Demand during the past 11 months. The Metered Voltage adjustment, as set forth above, should not apply to the Large Load Customer's minimum Monthly Billing Demand.²⁹

In addition to the Monthly Billing Demands, the Proposed Requirements state that, "Large Load Customers will be subject to a minimum monthly demand charge equal to 80% of contracted demand."³⁰

PPL Electric again submits that the Commission should adopt a more flexible approach to determine minimum contract terms because each Large Load Customer project is unique. Rather than implement a five-year minimum term for every large load customer, the Commission should instead focus its analysis on the time required to recover costs paid by network customers for projects constructed because of the interconnection load. The danger of subscribing to a set minimum contract term like that included in the Tentative Order is that it may result in the customer having load obligations that far exceed the cost of interconnection. For example, the transmission portion of a Large Load Customer's bill may be several million dollars per month, and therefore, even significant socialized upgrades would be fully recovered well before the expiration of the minimum five-year term. Moreover, certain assets will be paid for by network customers because they provide reliability upgrades to the grid, benefiting all customers (which benefits do not disappear with the loss of the Large Load Customer). By maintaining a flexible

²⁹ *Id.* at unpaginated 4-5 [native PDF page 51-52].

³⁰ *Id.* at unpaginated 5 [native PDF page 52].

minimum contract term tailored to each project's needs, the EDCs and the Commission will be better positioned to address actual risk to other customers, grid reliability upgrades, and other cost causation principles.

This analysis appropriately focuses on mitigating stranded cost risk for costs incurred by EDCs associated with the Large Load Customer, and not those costs that are otherwise outside of the EDC's control (*e.g.*, generation cost increases). EDCs may calculate each customer's contract term and guarantee based on the costs placed into transmission rates, load ramp schedules, and the monthly revenues projected to be received, which provides a comprehensive picture of whether the Large Load Customer will require upgrades to the bulk electric system. This will better position the EDCs and the Commission to establish contract term length and minimum load guarantee for that specific customer. This approach strikes the right balance of encouraging data center growth while adequately protecting other customers from the risk of the load not materializing.

D. INTERCONNECTION STUDIES AND INTERCONNECTION AGREEMENTS

While encouraging utilities to meet with stakeholders to discuss the process and implications of interconnecting Large Load Customers, including appropriate timelines, and to thereafter implement reasonable improvements identified, the Commission nevertheless tentatively found that "six months is a reasonable amount to maximum time to complete interconnection studies unless there are exigent circumstances."³¹ The Commission further proposed that where a utility fails to meet the six-month deadline, "50% of the application fee be

³¹ *Id.* at p. 25.

refunded to the applicant for each 90-day period beyond the six-month completion deadline” and that no costs of interconnection studies should be recovered from other ratepayers.³²

Additionally, the Commission proposed that the “EDCs make available on their public websites a list of Large Load Customer interconnection applications by zip code listing the date accepted, the MW interconnection amount sought, and the stage of interconnection study process.”³³

PPL Electric continues to maintain that a certain degree of workability should be permitted to conduct interconnection studies and interconnection agreements for large loads. A rigid six-month limit on this process after which refunds would be mandated should not be incorporated into the model tariff because, as previously described, these projects are highly complex and unique and include various unpredictable factors impacting the timing of interconnection studies and agreements. Notably, during this phase, the EDCs and Large Load Customers engage in due diligence that requires exchanges of essential information from the Large Load Customer, analysis of what equipment or upgrades are necessary for the specific project, and negotiation of preliminary agreements for work and cost estimates. While this process can be completed within six months for many projects, the Commission should avoid issuing a one-size-fits-all requirement that, if missed, could result in unrecoverable monetary penalties. This limit could pressure the EDCs and Large Load Customers to submit rushed applications satisfying an arbitrary deadline rather than ensuring that comprehensive data is analyzed and processed.

Additionally, the Company requests clarity on when the clock would begin to run for the application review period. Any provision that sets a firm time limit must include guidance on when an application is deemed complete, and place obligations on the applicant to cooperate to get the

³² *Id.*

³³ *Id.* at 26.

benefit of the review deadline. Consideration should also be given to how this provision would work with the proposed preferential queue position proposal. If EDCs are forced to review applications out of order it may be difficult, if not impossible, to meet the proposed review deadlines.

PPL Electric requests that there be flexibility in the utilization of a biannual window for cluster studies. Cluster studies are beneficial in certain situations where coordination with neighboring utilities is needed. This is location specific and will be different for EDCs and may even be different for EDCs within its own service territory. There is a risk that by mandating cluster studies it will have the effect of slowing down certain interconnection applications that would not benefit from a cluster study. The Company supports having the option to utilize cluster studies where appropriate but is opposed to being required to use them in all situations.

Lastly, PPL Electric opposes any requirement that the EDCs publicly list applications on their website. The Company is concerned that the model tariff singles out a class of customers to have less privacy protection than other customers. PPL Electric is careful to protect its customers' information, which is consistent with the policy and regulations of the Commission. PPL Electric respectfully requests clarification on the benefits of such disclosure so it may better attempt to comply with the spirit of the Proposed Requirements while also maintaining customer confidentiality.

E. MINIMUM DEMAND CHARGES

While acknowledging various perspectives on the matter, the Commission tentatively adopted an opening position of a minimum billing demand level of 80% of contracted demand, citing tariffs in Indiana and West Virginia (at 80%) and Ohio (at 85%) as support for this position.³⁴

³⁴ Tentative Order, p. 28.

The Commission further noted its agreement with the proposition that “any demand charge should be tied to the actual need for the utility to recover fixed costs associated with serving that particular customer’s load” and invited comments to this tentative tariff provision.³⁵

As a preliminary matter, PPL Electric requests clarification on whether the Commission is referring to distribution demand charges. If the Commission is referring to distribution demand charges it would be difficult for PPL Electric to implement this provision. PPL Electric primarily serves large load customers at transmission level voltages (i.e., 69 kV and above). Because of this the LP-5 rate schedule does not have a distribution demand charge. Rather LP-5 customers primarily pay transmission charges because they are being served by the Company’s transmission system. The Company is concerned that to comply with the minimum demand charge proposal it would need to alter its FERC regulated transmission formula rate, which is outside the jurisdiction of the PUC.

PPL Electric does support an 80% minimum load guarantee, it accomplishes this by setting a floor on large load customers’³⁶ Network Integrated Transmission Service (NITS) charge at the minimum contract demand, which has the same intended effect – to ensure that they are paying for their share of the costs incurred to serve them and that those costs are not being unfairly socialized to the Company’s other customers. Recall LP-5 customers, and Large Load Customers, would be similarly situated in that both would only be using the transmission system— having lines of 69 kV and above—and, thus, costs are allocated using the NITS charges. While PPL Electric’s LP-5 customers are subject to a minimum monthly *distribution* charge of \$994.00 per month to cover metering and overhead costs, not all the EDCs treat their large load customers in

³⁵ *Id.* at pp. 28-29.

³⁶ See PPL Electric Tariff, Supplement No. 401. (Defining LP-5 as Large General Service – 69 KV or Higher – Large – Commercial & Industrial Transmission).

the same manner. This is an additional reason in support of a flexible model tariff to adjust to the specific needs of each EDC.

F. EXIT OR EARLY TERMINATION FEES

The Commission noted that there were “various reasons, such as consumer protection, financial assurance, and mitigating risks,” cited by commenters supporting the general practice of requiring exit or early termination fees.³⁷ The Commission has recommended such fees in the Proposed Requirements (under the heading “Contractual Flexibility”). Under the current proposal, no exit fee is required “if a Large Load Customer reduces its contract for capacity by no more than 20% after the initial term³⁸ of the contract has passed and the Large Load Customer provides notice of this reduction at least 42 months in advance of the PJM Delivery Year for which the reduction is sought.”³⁹ By contrast, “if the Large Load Customer were to reduce its contracted capacity requirement by more than 20% after the initial term of the contract and provides the 42-month notice,” then the proposed exit fee is “[t]he greater of (1) the difference between the costs placed into rates less the revenues received from the Large Load Customer, or (2) the nominal value of the remaining Minimum Charge for the terminated/reduced capacity in excess of the 20% allowed reduction for each year of the Exit Fee Period.”⁴⁰

In connection with the exit fee, the Commission further recommended and tentatively adopted a 42-month notice period for early termination, and specifically requested comments on

³⁷ *Id.* at p. 31.

³⁸ The Commission tentatively defines the minimum contract term as no less than five (5) years.

³⁹ Tentative Order at p. 31. The Commission specifically noted timing of the PJM Base Residual Auction and efforts to ensure alignment to the extent possible to avoid PJM purchasing capacity for the Large Load Customer that is no longer needed and, consequently, avoid stranded costs paid for by other customers in connection with the acquired capacity.

⁴⁰ *Id.* The Commission also set forth an alternative exit fee calculation “that is calculated as the nominal value of the remaining Minimum Charge for the reduced capacity in excess of the 20% allowed reduction for each year of the exit fee period. The exit fee period is defined as the Large Load Customer’s remaining initial contract term, or any agreed extension of that term, not to be less than one year or exceed five years.” *Id.* at pp. 34-35.

whether a 48-month notice period (aligning with the PJM load forecast for the delivery year in which the Large Load contract would terminate) would be more appropriate.⁴¹

The Commission also proposed a mitigation provision stating that, “the Company will use reasonable efforts, consistent with obligations as a public utility, to mitigate the Exit Fee amount owed or paid by the Large Load Customer by evaluating the opportunity to assign the terminated/reduced capacity to serve new Large Load Customers, to expand services to existing Large Load Customers, or otherwise secure offsetting expected revenues.”⁴²

PPL Electric contends that the proposed 42-month notice period is too long and should be shortened to accommodate a variety of circumstances impacting a Large Load Customer’s decision to terminate. Instead, the focus should be on protecting other customers from the risk of socialized costs becoming stranded so that any termination fee could be applied to reduce total plant in service, effectively removing the socialized upgrade costs from customer rates. If the exit fee equals the unrecovered socialized costs, then a notice period is unnecessary and potentially burdensome. Rather than setting a firm notice period, the Commission and the EDCs should focus on cost recoupment and charge the difference between the cost of socialized upgrades and the amount paid by the Large Load Customer through the transmission portion of its utility bills.

The Company also requests clarification on whether the PUC intends on having a 42 month Exit Fee Period indefinitely for Large Load Customers. The Proposed Requirements appear to require an Exit Fee Period tied to the Initial Contract Term. However, there is also a requirement that Large Load Customers provide 42 months’ notice to terminate the contract. In practice this would seem to require a rolling automatic 3.5 year extension after the initial 5 year term, and an Exit Fee Period that would go on indefinitely. Having a Large Load Customer pay an Exit Fee

⁴¹ *Id.* at p. 33.

⁴² Appendix at unpaginated 7 [native PDF p. 54].

after taking service for many years, and having covered the cost of socialized network upgrades, does not seem consistent with the goal of designing an Exit Fee to mitigate stranded cost risk. Rather, it is more akin to a penalty for discontinuing service and would likely disincentive new Large Load Customers from locating in Pennsylvania.

PPL Electric also contends that the mitigation condition in the Proposed Requirements should be explicitly defined to provide procedural guidance for circumstances in which termination occurs before and after the cost of socialized upgrades have been recovered through rates from the Large Load Customer, justifying the Company's capital investment. PPL Electric also maintains that upgrades to the grid associated with load growth can be a legitimate and prudent basis for investment by the Company, where they will benefit all customers. Even where benefits initially/primarily accrue to one customer, if the investment is recovered fully by revenues received from that customer, it provides yet another basis supporting the prudence of the EDC's investment in that infrastructure.

Moreover, PPL Electric requests that the Proposed Requirements clarify how the EDC's responsibility "to assign the terminated/reduced capacity to serve new Large Load Customers" should be calculated, and whether there are time limits to mitigate the terminated or reduced capacity. PPL Electric further requests clarification that the Commission is referring only to the transmission capacity necessary to reliably deliver power to a Large Load Customer and is not imposing mandates on the EDCs to mitigate or otherwise manage the power supply obligations associated with a Large Load Customer.

G. INTERRUPTIBLE SERVICE AND STANDBY RATES FOR LARGE LOAD CUSTOMERS

The Commission acknowledged that views on interruptible versus firm service requirements were mixed among commenters, as were positions on requirements for Large Load

Customers to bring your own generation (BYOG).⁴³ The Commission then tentatively found that “it is beneficial to develop programs so that large load grid service may be interrupted under certain prescribed conditions” and that “minimum demand charges could be reduced proportionately as an incentive for large load customers willing to opt-in to interruptible service.”⁴⁴

PPL Electric sees merit in the Commission’s proposal to explore BYOG, rate design, and interruptible loads as ways to mitigate the challenges raised from interconnecting new large loads. However, the Company continues to be concerned that requiring EDCs to implement mandatory interruptible rates or providing an interruptible rates only to a certain class of customers conflicts with customer choice principles codified in the Public Utility Code and the Competition Act.⁴⁵ In addition, while there are certainly upsides to an interruptible rate option, including the potential reduction of system upgrades, and corresponding reduction of socialized costs, and benefits related to resource adequacy concerns, other large load customers are not required to take an interruptible rate and thus Large Load Customers would not be treated the same as other similarly situated customers, likely constituting unlawfully discriminatory treatment in violation of the Public Utility Code.⁴⁶

The Commission should recognize that a wide variety of interruptible service and load reduction programs are available to Large Load Customers, with retail suppliers and CSPs actively competing to offer tailored solutions. Given the diversity and sophistication of these customers, a one-size-fits-all approach would unnecessarily restrict their options and run counter to the principles of customer choice and market competition embodied in the Competition Act. Thus,

⁴³ Tentative Order, pp. 35, 38.

⁴⁴ *Id.* at p. 39.

⁴⁵ See June 2025 Reply Comments, p. 5; see generally 66 Pa. C.S.A. § 1304 and the Competition Act.

⁴⁶ See June 2025 Comments, pp. 19, 32.

PPL Electric respectfully submits that the Commission’s final order should remove any requirement that makes interruption mandatory for Large Load Customers.

H. INFRASTRUCTURE UPGRADES BY LARGE LOAD CUSTOMERS

Similar to many other proposals, the Commission found significant disagreement among commenters on whether Large Load Customers should be allowed to directly construct infrastructure upgrades.⁴⁷ The Commission agreed with those supporting self-construction option for customers willing to fully fund infrastructure upgrades primarily for expediency purposes, despite finding valid the concerns raised by various commenters regarding “safety, reliability and adherence to industry building standards.”⁴⁸ Fundamentally, the Commission’s proposal to allow customers to self-construct requires customers to adhere to all Public Utility Code standards for inspection, maintenance and repair of such facilities, as well as FERC standards, where applicable, and further invited additional comments on “how safety, reliability and adherence to industry building standards can be assured.”⁴⁹ The Commission elected to defer to a separate proceeding the question of whether utilities should earn returns on customer-funded infrastructure and how to allocate costs appropriately.

PPL Electric opposes allowing Large Load Customers to make system upgrades directly for two main reasons. First, as emphasized in the Company’s prior comments, the EDCs are best positioned to integrate necessary system upgrades to interconnect a Large Load Customer, as they have deep knowledge of their system and experienced employees and contractors perform this work. The EDCs are more equipped to perform these upgrades efficiently (and consistently) than the customer, who may have limited or no experience with an EDC’s system or construction of

⁴⁷ *Id.*

⁴⁸ *Id.* at p. 42.

⁴⁹ *Id.*

electrical facilities. The EDCs also have a vested interest in ensuring such upgrades are completed and built with the utmost attention to detail, as the EDC ultimately owns them, has a requirement to maintain them in the long term, and maintains the requirement to ensure safe, reasonable, and reliable service. PPL Electric made similar arguments to FERC in response to the DOE ANOPR:

Utility experience with generator option to build has largely been negative. At best, utilities needed new and complex processes and carefully negotiated contracts regarding site acquisition, environmental permitting, equipment standards, insurance/indemnity, and numerous other provisions to protect themselves and their customers from poor-quality, expensive, and in some cases dangerous, customer-built facilities. In bad cases, utilities have had to take substandard land or equipment with known issues, requiring expensive fixes with unclear avenues for cost recovery. Utility customers have been left to pay for the operations and maintenance costs of facilities built on the cheap, rather than to utility standards designed to ensure equipment operates safely and reliably for decades.⁵⁰

If the Commission determines that Large Load Customers should be permitted to make system upgrades directly, PPL Electric urges the Commission to permit a “build your own option” *only* if the EDC is not meeting interconnection deadlines as prescribed by the parties’ agreement. Otherwise, system upgrades should be managed by the EDCs, who have superior knowledge of the system and process and the obligation to provide safe, reasonable, and reliable service.

Second, PPL Electric notes that allowing Large Load Customers to make system upgrades would most likely not make the process any quicker or less costly. As previously noted, building a high-voltage transmission line to serve Large Load Customers is an unavoidable step in the interconnection process and requires time and navigation of numerous regulatory approval processes to complete. It is unlikely that an interconnection would be any quicker or materially

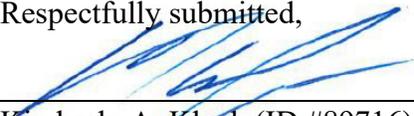
⁵⁰ *Interconnection of Large Loads to the Interstate Transmission System*, Initial Comments of the PPL Companies re Advanced Notice of Proposed Rulemaking on the Interconnection of Large Loads to the Interstate Transmission System, FERC Docket No. RM26-4 (Nov. 21, 2025).

less costly if managed directly by the Large Load Customer, even if it is agreeable to reducing its load needs or adopting a more gradual load ramp schedule. Therefore, PPL Electric urges the Commission to direct that the EDCs should be responsible for any system upgrades for Large Load Customers.

III. CONCLUSION

PPL Electric appreciates the opportunity to provide these Comments and respectfully requests that the Commission consider them when developing its final order and any associated requirements related to interconnection for Large Load Customers in Pennsylvania. Additionally, PPL Electric submits that the Commission should specifically articulate in its final order that the requirements set forth therein or in any model tariff provided therewith are simply “a preferred set of best practices based on the perspectives shared with the Commission by all stakeholders”⁵¹ and that EDCs are explicitly permitted to modify or adopt only those provisions that make sense for that EDC and a given Large Load Customer under the appropriate circumstances.

Respectfully submitted,



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⁵¹ Mot. of Chairman S. DeFrank, En Banc Hearing Concerning Interconnection and Tariffs for Large Load Customers, [unpaginated] 2-3 (Mar. 27, 2025).